



Forrest, R., & Xian, S. (2017). Accommodating discontent: youth, conflict and the housing question in Hong Kong. *Housing Studies*, 33(1), 1-17. <https://doi.org/10.1080/02673037.2017.1342775>

Peer reviewed version

Link to published version (if available):
[10.1080/02673037.2017.1342775](https://doi.org/10.1080/02673037.2017.1342775)

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To cite this article: Ray Forrest & Shi Xian (2018) Accommodating discontent: youth, conflict and the housing question in Hong Kong, *Housing Studies*, 33:1, 1-17, DOI: 10.1080/02673037.2017.1342775

Accommodating Discontent: Youth, Conflict and the Housing Question in Hong Kong

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Introduction

Hong Kong, the former British colony, has been attracting more global interest since 2014. In the autumn of that year, much of the central business district was disrupted by protesters who blocked and occupied a number of main roads. These protestors, were mainly but not exclusively young people expressing their political, economic and social frustrations about contemporary developments in Hong Kong. Whilst the protests were triggered by arguments around universal suffrage and the election of the new Chief Executive of Hong Kong in 2017, the discontent and frustration went much wider than this. The political system reflected, produced and sustained a political economy involving close-knit relations between government and commercial and financial elites who also had close ties with the Beijing government. The economy pivots around land development, legitimised land scarcity, low space standards and high property prices (Wissink et. al.2016). Not surprisingly, as property prices have escalated, notably over the last decade, access to housing and the proliferation of high end, luxury estates, has pushed housing to the very top of the policy agenda. But despite well intentioned statements by various politicians, little seems to change.

This paper explores the housing prospects facing young people in Hong Kong, their attitudes and expectations and the interconnections between housing issues and political unrest. It draws parallels with other societies but also argues that the housing question in Hong Kong has very distinct local characteristics and cannot be disconnected from wider political and economic tensions. The empirical data are drawn from a random sample of 1015, 18-35 year olds which was undertaken in July, 2014. The target population were 18-35 year olds living in Hong Kong including Cantonese, English and Mandarin speakers. The interviews were carried out on our behalf by a professional survey company and consisted of a 20-25 minute questionnaire administered by telephone. CATI (Computer Aided Telephone Interviewing) was used to randomly select landline numbers from the sampling frame. Of the 1015 achieved interviews, 46 per cent were with male respondents, 54 per cent were female. Census comparison indicates that the sample underrepresents males (50.5% in census) and those in elementary work and overrepresents professionals. This should be noted in relation to interpreting the

survey results although it is unlikely to have affected significantly their representativeness. Moreover, a preliminary wave of the survey had produced very similar findings (for more detail see Li, 2014).

As indicated above, international interest in Hong Kong had waned after the handover from Britain to China in 1997. The immediate aftermath saw the onset of the Asian Financial Crisis and economic factors rather overshadowed discussion of any political and social transformations which may have come with the change of sovereignty. Indeed, until relatively recently, apart from some concerns about the growing numbers of Mainland tourists and longer term residents, the impression was of business as usual. There were increasing tensions associated with the exponential rise in visitors to the city (Bremner, 2015) and the consequent impact on the urban fabric and transport system. But Hong Kong retained its longstanding reputation of being a city where expressions of discontent were generally restrained if not quiescent-all the more surprising in a city where wealth and income inequalities are among the highest in the world among developed economies (See, for example, Credit Suisse, 2014:30;).

Ostensibly, the progressive unrest and political divisions have been associated with concerns about the extent to which democratic development in Hong Kong is being extended or eroded. There are different interpretations of the various commitments which were made in the handover arrangements regarding increased democracy for the Hong Kong Special Administrative Region (SAR). However, as the debate around political representation progressed, it became enmeshed in a more general critique of power and inequality in Hong Kong. In particular, the tycoon class, which had in the past been somewhat revered by the general population as living symbols of Hong Kong's opportunities for social mobility, became increasingly identified as a significant part of the problem (eg Poon, 20006; Time Out- Hong Kong,2012). The close association between big business and the Hong Kong government has always been very visible and this is particularly evident in the real estate sector where three companies account for almost three quarters of the residential property market (Wissink, Koh and Forrest, 2016)). And as in many societies, the last decade has seen widening inequalities and reduced opportunities for social mobility. This has sharpened critiques of the city's economic elite and focused attention on the extent to which their activities benefit the city as a whole or simply a small, privileged minority (Yan, 2015).

Young people have been at the sharp end of these developments particularly with regard to employment and housing. Unemployment levels among 20-29 year olds have risen relative to the general population, median incomes have lagged behind, professional employment for graduates has declined and economic volatility and policy changes have diminished housing opportunities (Yip, 2013; Wu, 2010). The housing issue has particular political salience in Hong Kong with its extremely high densities, low space standards and very high costs (see, for example, Yip et.al., 2009). Buying a property in the private market is simply beyond the reach of most people. This is part of the

explanation for the significant size of the public rental sector which houses around a third of all households (Forrest and Yip, 2014). However, the political economy of housing in Hong Kong has distinct features given the vested interest of the government in maintaining high land (and thus property) prices as a source of revenue and the strong association between the wealth of the tycoons and the real estate sector. As will be argued later in the paper, this relationship between the real estate sector and government income streams has become increasingly problematic. Not only does it contribute to constrained land supply and the overproduction of high end properties, it has wider ramifications for the shape and structure of the Hong Kong economy-in Merrifield's conception, an urban economy which has more parasitic than creative qualities (Merrifield, 2014)

It is not difficult to see how concerns about control and dominance of the Hong Kong real estate sector and the political debate about the future of the SAR have become increasingly intertwined. The tycoon class has derived a significant portion of its huge wealth from real estate, and continues to do so. And the business sector is generally on the side of the Beijing government when it comes to political choices and economic priorities. At the early stage of the Occupy Movement a photograph appeared in the *South China Morning Post* showing Hong Kong's leading tycoons seated alongside President Xi in the Great Hall of the People, Beijing (Koh, Wissink and Forrest, 2016). Young people had just taken to the streets. The political message of the image was clear. Hong Kong's economic elite will resolve the problems in consultation with the Chinese government. Big business needs stability and the Mainland wants a stable Hong Kong. But a stable Hong Kong for whom, and in whose interests? This is how the demand for universal suffrage, the trigger issue for the political protests in 2014, becomes linked to demands for a more democratic and fairer Hong Kong. As, 'Anthony', a 26 year old wealth advisor involved in the protest, observed in *The Institutional Investor* (2014) "We are tired of a government that continues to represent the interests of a few wealthy, real estate tycoons." Barber (2014) similarly observed of the Occupy protests that for the young protesters, if the Chief Executive was to be elected by a committee dominated by a committee "flush with red capitalists and oligarchs", then there was little prospect of major social problems such as the lack of affordable housing being addressed. Wong (2014) reinforces this view although he suggests that Hong Kong youth were misguided when they "readily embraced the radical view that tycoons dominate the economy and property developers are hegemonic". He continues, "They trace these injustices ultimately to Hong Kong's political arrangements, with Beijing as the master behind the curtains". Some of these broader political and social dimensions will be revisited in the conclusions to this paper. The core of the paper will, however, focus on housing issues and particularly, the attitudes and expectations of young people in Hong Kong. What do they want, what do they expect to get and how do they feel about it?

Background

In gaining access to independent housing, to rent or to buy, youth in Hong Kong face difficulties which are common to younger generations across a wide range of societies. Young people across a wide range of societies are staying longer in education. Rising youth unemployment has been very significant in certain countries. Marriage and childrearing patterns have also changed (Eurostat, 2009). The average age at which young people leave the parental home is rising as is the age of first marriage (Forrest, 2013). There are, however, important cultural differences with regard to when adult children normally expect to leave home and form an independent household (Forrest and Yip, 2013; Clapham et. al.2014). Iacovua (2011), for example, describes home leaving behaviour in Europe being affected by “historical differences, social and cultural norms, institutional frameworks, and both macro-level economic factors such as the structure of labour markets and access to housing and individual differences in economic status” (p.1). Nonetheless, the structure of housing markets and housing policies are undeniably significant factors in the shaping of the life chances of younger households but the impact will vary over time and space. Moreover, access to mortgage finance and the affordability of house purchase also have to be considered in relation to other housing opportunities including the availability and costs of renting privately and eligibility for social or public housing.

High and rapidly rising house prices are a common feature of almost all leading international cities but Hong Kong is at the extreme end of the housing ‘affordability problem’ with some of the most expensive real estate in the world. Between, 2008 and 2015, house prices in the city more than doubled (The Economist, 2015) and the price trajectory has been getting steeper. In a recent survey of home ownership costs, Hong Kong was rated as the least affordable of all the major housing markets surveyed. Metropolitan markets with median house price/median household income ratios of 5.1 or over were rated as ‘severely unaffordable’. Hong Kong’s price to income ratio was 19-that is, median house prices were estimated to be 19 times median annual household incomes (Demographia, 2016). The problems of access to home ownership for newly formed households are thus particularly daunting in Hong Kong. It is therefore not surprising that young people are staying at home longer. For example, the percentage of 25-29 year olds living in the parental home increased from 56% in 1991 to 70% in 2006. Among the older young, the 30-34 year olds, the equivalent percentage had risen from 33 to 42 % (Yip, 2013). Hong Kong is also very unusual in having a large, public rental sector. However, this sector does not offer an alternative to owning for younger households as eligibility rules and priorities effectively exclude them.

Young people in Hong Kong therefore face a set of circumstances which are distinct but not unusual in the contemporary city-rising housing costs, less stable job prospects and less economic bargaining power. Moreover, among young people generally, attitudes may be changing compared to their parents with perhaps less priority given to property purchase. In many countries, there is also a developing discourse around the idea of ‘generation rent’ in which the constrained housing

opportunities of younger generations are contrasted with the much greater (often policy-assisted) home ownership opportunities of previous generations (Hubers et.al.,2016; McKee, 2012). A marked expansion of private landlordism seems to signal a reverse of social and housing trends of the post war period (Forrest and Hirayama,, 2015). The ‘generation rent’ phenomenon is, however, not evident in Hong Kong for reasons which will become clear. As has been shown, generation ‘parental home’ would be a more apt description although it is important to note that adult children have traditionally departed at a later age than in most western societies. Living at home into one`s early 30s is not particularly unusual (Forrest and Yip, 2013). What gives the issue of housing and young people a new edge in Hong Kong is not just the steep escalation in the price of flats, or that more young people are living longer with parents, but the current political and economic conjuncture. This is a heady mix of more pessimistic economic prospects, widening income and wealth gaps, a more politicised youth in relation to integration with Mainland China and frustration and disillusionment with the established elite. Hong Kong`s current housing problems, particularly as experienced by youth, provide a focal point for these concerns because it is not difficult to connect high housing costs, the economic interests of the tycoon developers, government revenues and Mainland investors (Wissink, Koh and Forrest, 2016). These frustrations are given further fuel by the perception that upscale apartments take precedence in new developments and that many are bought by speculators and left empty. Official statistics for Hong Kong tend to bear this out. In 2015, 9.5 per cent of Class E (larger) apartments were vacant compared with only 2.3 per cent of the smallest properties (Rating and Valuation Department, 2016: Table 1). Moreover, in searching for less contentious explanations for youth discontent than the lack of democracy, local politicians and media commentators have often referred to housing problems as a major contributory factor. The underlying, and sometimes quite overt, message is that if young people in Hong Kong had access to decent housing they might be less prone to occupying and protesting about democracy. This was explicit in Wong`s (2014) piece in The South China Post during Occupy which was headlined ‘Sell Public Housing to help defuse Hong Kong protests`.. His remedy was to deliver home ownership to the young middle class via discounted sales of public rental housing and in that way counter the various structural factors which have driven a wedge between those with and those without capital.

The attitudes and sentiments of Hong Kong youth have come under even closer scrutiny since protests turned considerably more violent in February, 2016-during the Chinese New Year. Mong Kok, a district of Kowloon which had been the site of the more violent protests in the previous year, erupted again, prompted it seems by a crackdown on unlicensed street hawkers. The violent clashes between police and protesters prompted more soul searching among local politicians and commentators as well as deep condemnation from the Beijing government and Hong Kong`s Chief Executive. The growing interest in ‘localism’ and greater autonomy for Hong Kong is seen as a potentially dangerous and subversive political development. In this context, there have been various attempts to defuse the

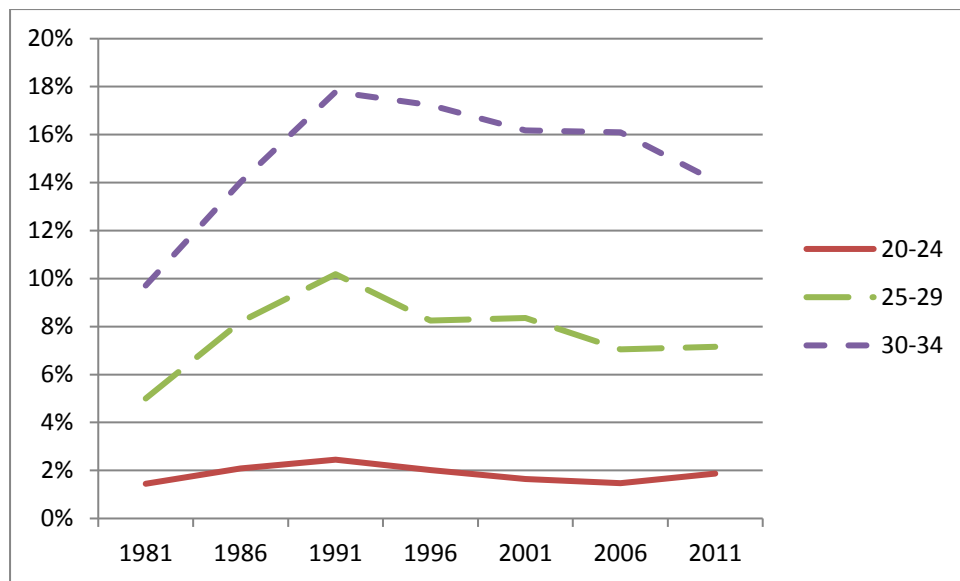
situation and to avoid mono-causal explanations for the recent violence. Notably, John Tsang, then Hong Kong's Financial Secretary, took the opportunity in his 2016 Budget Speech to refer to “a raft of intricately-related factors” which need to be addressed. If not, he continued, “what lies in store for Hong Kong will be even greater chaos, and our future generations will grow up in the midst of hatred and malice” (Tsang, 2016:53). Ibrahim (2016) is more explicit about the potential remedies. In an article with the headline, *Put Hong Kong people first*, she argues that “If you cannot meet their political aspirations, at least start to deliver on their practical needs. Start with housing. Start with jobs. But, first, have the courage to start the conversation with the young” (Ibrahim, 2016).

It was suggested above that generation ‘stay-at-home’ may be the most appropriate description of the housing circumstances of younger people in Hong Kong. Unlike, say in the UK or the USA, there has not been an upsurge in younger people going into private landlordism. Indeed, there seems to be relatively little interest in living alone, living with a partner or sharing in the private rental sector. In our survey, among those living in the parental home only 15 per cent expected to be in private renting when they moved out. The vast majority expect to be in the home ownership sector even although it has receded as a realistic aspiration. Indeed, for most, home ownership always has been out of reach without some kind of direct or indirect subsidy from government. It was in the late 1970s when the most significant policies to promote home ownership among less affluent households were introduced. The Home Ownership Scheme (HOS) and the Private Sector Participation Scheme (PSPS) enabled some 325,000 households to acquire flats at 25% less than market prices. Other schemes have followed but not on the same scale and the impact of the Asian Financial Crisis and SARS effectively put an end to such partially decommmodified, home ownership policies (See Lau, 2005 for a detailed discussion; also Lui and Yueng, 2013).

Figure 1: The Young Home Ownership Rate

Young Home Owning Heads of Household as a percentage of all persons in that age group (1981-2011)

Youth conflict and the housing question



Source: Hong Kong Population Census

The step onto the ladder of home ownership offered to previous generations by government schemes has effectively been removed-despite some recent modest gestures in that direction with the reintroduction of a smaller scale HOS policy in 2011. One evident and unsurprising consequence has been a drop in home ownership rates among younger age groups. As figure 1 shows, the percentage of heads of households which are home owners has dropped in both the 25-29 and 30-34 age categories. As would be expected, the home ownership rate is higher among the older young (30-34) but in both cases, the already low rates of home purchase have fallen further. The impact of government intervention to assist entry to home ownership can be seen in the sharp increase in the 1980s-effectively doubling the level of home ownership in the 25-29 and 30-34 age groups. Since 1991, however, the trajectory has been generally downward. The youngest young (20-24) display a relatively stable pattern of around 2 per cent home ownership regardless, it seems, of changing economic and policy context.

Choices and Constraints

We can now turn to some empirical data which provides some insights into how younger people in Hong Kong view housing issues. We have already established that they are staying longer in the parental home, a trend that is found in many societies. But to what extent are problems of housing costs and eligibility the explanation for this development? Do different groups of young people make different choices or are they differentially constrained?

Table 1 provides a snapshot of some of the attitudes towards renting and owning among our young people who were still living at home. As can be seen, more than 80 per cent of respondents were in

this situation excluding those in households which included a partner and a parent or guardian. In other words, the vast majority of the young people in our sample were not married and still living at home¹. Only a small minority (7%) were living independently with a partner or alone. Virtually no one was sharing with friends, an issue we shall return to in a moment.

As Table 1 indicates, there is some ambivalence among young people in Hong Kong about home purchase. There is a clear and probably realistic recognition that they cannot afford to move out of the parental home but some apparently conflicting views regarding buying a property. Almost half of them agree with the view that home ownership and being middle class are closely related and very few take the view that there are more important things to spend your money on than house purchase. This sounds like a very conventional view of the benefits of buying a residential property. However, there is an element of circumspection regarding property investment with more than half our young people believing ‘the housing market is too risky for ordinary people’s investment- 1 in 10 ‘strongly agreed’ with this statement and only 20 per cent actually disagreed. Moreover, as many disagreed (41%) as agreed with the view that paying rent is a waste of money and some three quarters stated they would be happy to live in the public rental sector. This suggests that young people in Hong Kong still regard home purchase as a priority investment but they also recognise the potential downside if economic circumstances change. They are also not averse to renting although here the Hong Kong context is of some importance. First, the public rental sector has played a major role in the lives of a significant cross section of the population (Forrest and Wu, 2014). Many of the parents of our young respondents would have been brought up in public housing. More than a quarter of our respondents were living with their parents in the public rental sector. Second, the rental costs in the public sector are low, typically 10-15 per cent of average household incomes, which may influence attitudes. Renting is not such a ‘waste of money’ if it is cheap.

Table 1: Young People in Hong Kong Living at Home-

Percentage agreeing that:

They live with their parents because they can’t afford to live anywhere else	70
Owning a property is a symbol of middle classness	47
There are more important things to spend money on than buying property	17
They would be happy to live in the public rental sector	74
Paying rent is a waste of money	40
The housing market is too risky for ordinary people’s investment	50

Source: Survey of young people, 2014

Rental costs in the private sector are, of course, at the other extreme. An international assessment of the cost of living put Hong Kong a close joint second (behind Luanda and ahead of Zurich) with rental costs a key factor (Mercer, 2015). As in many major cities, the private rental sector in Hong Kong is highly polarised. At one end, there is a very low quality sector of small, old and often illegally divided flats associated particularly with poor migrants. At the other end is the luxury sector frequented by the professional, global elite-typically on fixed term contracts with rental costs covered by their corporate employer. Private rental is nevertheless an option if young people are prepared to share, sacrifice space for independence and use up a significant part of their income. The evidence suggests that for the local young at least, this is not a price they think is worth paying. Living at home may, of course, involve some sacrifices in terms of space and privacy although two thirds of our respondents said they had a room of their own.

In cities such as London or New York young sharers are ubiquitous and are often paying exorbitant rents for very limited space and quality. This kind of housing arrangement is rare in Hong Kong outside the young migrant community-expats and those from Mainland China or elsewhere in the region. For example, we asked those living at home what they expected their housing situation to be when they did move out. Only a small minority (14%) expected to be living with friends. And when we asked those living at home whether they had ever thought about sharing a flat with friends, just over a fifth of respondents said they had considered it. Typically, it was regarded as too expensive. It is also worth noting that there were no statistically significant differences in attitudes towards sharing a flat in relation to gender, education or income. Younger people living at home on higher incomes are less likely to say it is too expensive but appear no more inclined to choose it as a housing option.

It is difficult to disentangle housing market constraints, employment prospects, lifestyle choices and cultural norms in any explanation of the housing situation of young people in Hong Kong. More than two thirds of our young people stated that they would rather live with their parents than share with friends. But a similar proportion also said that they lived with their parents because they could not afford to live anywhere else. In international debate, housing affordability usually takes a prominent place in any explanation of the rising age at which young people are leaving the parental home. For example, data from the European Union show that the lack of affordable housing is one of the most mentioned reasons among young people for staying at home longer. But general financial constraints, the attraction of home comforts and later marriage are also important and interconnected factors (Eurostat, 2009:31). Nevertheless, housing costs and availability are clearly important influences on patterns of departure from the family home. However, it is difficult to gauge demand among young people for independent living when, for most, it may appear to be such an unrealistic aspiration. For that reason we posed a hypothetical housing prospect to our sample of Hong Kong young people. We asked whether if they only had to pay 20% of their income as rent would they be more inclined to leave home? More than half said that in such circumstances they would be very likely (24%) or likely

(32%) to do so. A further 30 per cent had no feelings either way. This indicates that costs are a factor for many young people when considering whether to leave home but it also shows that other considerations come into play. As might be expected, the proportion of young people 'very likely' to leave home in such circumstances rises with age-21 per cent among the under 25 year old group but 29 per cent for those aged 25-29 and 30-35, a statistically significant difference. Strangely, however, the age breakdown also shows an increase among those who say they would be unlikely or very unlikely to leave home in such circumstances. In the youngest age group, the figure is under 10 per cent but doubles to 20 per cent among 30-35 year olds.

Privileged Young Owners?

Hong Kong has one of the least affordable housing markets in the world but some younger people do manage to buy. In such circumstances, where buying a home is out of reach for most, this minority is likely to be in a highly advantageous position relative to their cohort. Not only do they achieve independence at an earlier age, start a family if they wish to do so and probably enjoy better housing conditions than their peers but they may well acquire an appreciating asset. In Hong Kong, given the pattern of rapid house price appreciation over the last decade, the housing asset gap has inevitably widened within as well as between cohorts. In other words, while there may be widening fractures between generations (Hirayama and Ronald, 2008; Hirayama, 2013), there are also likely to be deepening fissures within younger cohorts. Those younger people who can buy residential property in high price, high appreciating markets are likely to pull away from their contemporaries to an even greater degree than when home ownership was easier to enter.

In this section we look more closely at this small minority of young buyers. What is their profile? How do they manage to buy? With the very limited number of young home owners in the population as a whole, it is unsurprising that few were picked up in our survey. Nevertheless, the survey data can provide some clues about who these young home owners are, but cannot claim representativeness.

First of all, it is appropriate to repeat that more than 80 per cent of the young people in our 2014 survey were living with their parents (without a partner). Only 12 per cent were living in a relatively unambiguously independent situation, at least as regards accommodation arrangements. This figure excludes those living with partners and other family members and a small number (13) in the 'other' category. Moreover, not all the young home owners fall into this 'independent' category as some such households include parents or other relatives. It is important, therefore, to determine who is the owner in a home owning household and, secondly, who is responsible for paying the mortgage. Within our total sample, there were only 76 households where the owner is the young person or their partner or where it is jointly owned by the two of them. There are 60 cases where payment of the mortgage is the sole responsibility of those young owners.

So do these home owners tend to be in our older-young category? It seems they do. Only 13 are in the 18-29 age bands and of those, only 4 are aged below 25. Moreover, among those 13, 6 are in households which include parents, guardians or other relatives. If we sharpen the focus even more what can we say about our under 30 year old owners. The most obvious, if inevitably, tentative conclusion is that they do not fit some common set of characteristics. There is one outright owner, probably an inherited property. In two cases, the payment responsibilities for the mortgage are shared with others. Whilst it might be expected that our young owners are from middle class backgrounds, this is far from clear. Five fathers are retired and five are in skilled manual occupations. However, more than half of the young home owners are themselves in professional or semi-professional occupations although only 7 are in full time work and only three earn more than \$30,000HKD per month. They also are considerably more likely to be male (this is true of our young home owners generally).

It is not clear therefore how they have afforded to buy given the relatively high deposit requirements and high costs of purchase in Hong Kong. Property may have been inherited in one or two cases but beyond that it is difficult to see how their income and employment circumstances have enabled them to buy even a modest property. Given the difficulties of gaining entry to home ownership at a young age in Hong Kong it is also interesting to explore this group's attitudes. For example, are they much more bullish about the housing market, more status conscious about home ownership and more likely to see investing in property as an important priority? In fact, they appear to differ little in attitudes from the group as a whole. Differences in attitudes towards the social status of home ownership, the importance of investing in property or whether owning a property gives one a sense of security are not statistically significant. Nor do they feel any differently towards public housing. Although they own, more than 90 per cent say they would not be ashamed to live in public housing.

The most notable evidence from the survey about younger owners is that there are very few of them. Whatever the reasons that enable this small minority to buy relatively early in life, the fact of purchase in a booming market provides them with wealth accumulating opportunities which are not open to the majority. It appears from our data, however, that this group does not share a set of obvious characteristics associated with occupation or income. They are not, as might have been expected, a group in high earning, high status jobs. Neither, as might be suspected, do they appear to be a group which has relative advantage as regards financial help from parents. This has certainly been identified as an important factor in other contexts (Ost, 2012; Legal and General, 2015) but does not emerge from our data as a significant differentiating element. However, the small sample size again compels caution in drawing any firm conclusions.

Housing aspirations and expectations Among Hong Kong youth

Given that home ownership is unattainable for most and the allocation system for public housing makes that option an unrealistic aspiration for young people, what do they expect to happen? Those currently living at home may say they are reasonably contented but that is hardly a solution for the long term unless a resurgence of the extended family as a social norm is envisaged. Moreover, although Hong Kong has a free-wheeling, laissez-faire image there is something of a disconnect between the rhetoric and the reality-and perhaps no more so than with regard to its housing system (Castells et. al.,1990; Forrest and Yip, 2014). Reluctant it may have been, but state intervention in housing provision has been substantial and sustained, particularly in relation to public rental housing but also with policies to assist access to home ownership. With this history of state involvement in the housing sector it is hardly surprising, therefore, that young people in Hong Kong look to the government for more assistance with housing. Whilst the culture of Hong Kong is supposedly low tax and pro market, when it comes to the competition for decent housing, the majority view among the young in this survey is that the government needs to intervene.

Some three quarters of the young people questioned in this survey felt that the government should provide more help to get into private home ownership and almost 90 per cent favoured some form of policy in which flats would be available at below market costs-precisely the kind of home ownership scheme which was suspended in the early 2000s. There are, however, some evident and subtle differences here. Many young people are wary of stating that the government should be *responsible* for helping people to buy a property-more than a fifth disagree with that view and a similar percentage are ambivalent. There is, nevertheless, a clear a view that government has an important role to play. Attitudes towards government help with regard to other forms of tenure are more mixed. It has already been established that the young would readily accept public rental opportunities. And as Table 2 shows, many agree or agree strongly that the eligibility rules should be relaxed to allow greater access for younger singles. Equally, however, almost a third do not agree with this. Also, when asked if young, single people should not be the prime target of public housing provision, more than half agree. It would seem that many young people are aware that there are at present groups with more priority needs for public housing. There is simply not enough to go round.

Among our young people, actually applying for public rental housing was evidently more of an expression of frustration with the current lack of housing opportunities, than an action they believed would be likely lead to any meaningful consequence. Nevertheless, 42 per cent said they would encourage their friends to apply for public housing for single persons but an almost equal proportion (39%) thought that there were too many young single people on the public housing waiting list and that the Hong Kong government should restrict such applications. It is difficult, however, to conceive of how such restrictions could be applied-other than as a blanket restriction. Within our sample, only 9 per cent had actually made such an application for public housing. However, of those, only 16 per cent thought that if they waited another five years they would have a chance of being eligible for

housing. That is probably an optimistic underestimate of the required waiting time. In a recent judicial review hearing, it was claimed that a young person would be 50 years old before they had accumulated sufficient points to be eligible for public housing (Lee,2016)).What about private landlordism? The idea that rent subsidies might be introduced to enable more young people to get into private renting provokes a more polarised response. Although some 45 per cent are in favour (8% strongly so), well over a third disagree. The ideal remains home ownership, but failing that, public renting is the clear second choice.

The view that the government should help people buy declines with age. Among those under 25, over 60 per cent hold this view. In the older group, the comparable percentage is 45. However, and somewhat paradoxically, those over 30 and living at home are predictably more frustrated with their housing prospects than their younger counterparts with half of them feeling that they will never be able to buy a flat. This also links to the prospects for marriage. One in ten of those questioned *agreed strongly* that those with a property have the edge over the property-less when it comes to looking for a partner-and a further 43 per cent *agreed*. Males were more likely to believe this to be the case. Support for government help to buy property also varies directly with income. Higher earners are less likely to hold this view. For example, among those earning over \$30000HKD per month, some 6 per cent agree strongly and 36 per cent agree that it is the government`s responsibility to assist purchase-the comparable figures for those earning less than \$10,000HKD are 16 and 47 per cent.

Table 2: The Governments Should Help?

	Agree Strongly	Agree	No Feelings Either Way	Disagree	Disagree Strongly
	%	%	%	%	%
It is the government`s responsibility to help people buy their housing	13.5	42.0	22.0	19.6	2.9
The government should relax rules for access to public rental housing	12.2	43.1	13.9	29.3	1.4
Single young people should <u>not</u> be the prime targets of public rental housing	8.8	46.9	17.1	25.0	2.2
The government should provide more help to get into private home ownership	22.4	52.7	10.4	13.3	1.1
The government should provide more assisted home ownership flats	25.5	63.7	6.0	3.9	0.9
The government should provide subsidies for young people to rent privately	8.1	36.8	18.8	33.3	3.0

Source: Survey of young people, 2014

Without some significant market intervention, there appears to be a fairly pessimistic view of prospects for home ownership. Again, this is not uniform and varies by income or education. But 13

per cent agree *strongly* that they will never be able to afford to buy and a further 34 per cent agree. At the other end of the spectrum only 4 per cent are very positive about their likelihood of property purchase. Strangely perhaps, this pessimism does not extend to expected earnings or job prospects-85 per cent expect to be better off than their parents and more than half are optimistic about their employment opportunities. Young people think they will earn more than their parents and will get good jobs. But 85 per cent of them think that house prices will rise faster than their incomes. Thus, the overwhelming belief is that buying a flat will remain beyond their means-even if they earn more, housing affordability problems will increase.

Discussion

The survey data show that young people are not optimistic about their medium term housing prospects. Most are living in the parental home and the prospects of being able to move out to public housing or home ownership move out are not improving. However, an overwhelming majority, including those in their thirties, state that they like living with their parents *at the moment*. . I This is not entirely surprising. As has already been noted, in Asian cultures such a pattern of adult children staying with parents is a longstanding cultural norm. Lo (2016) suggests, “For Chinese, the young and old living together is considered a source of joy and fortune” (and see Leopold, 2012). However, there does come a point when that joy may become strained, when constraint rather than choice dominates. In Hong Kong, leaving the parental home and getting married are typically coincidental, as is the case in many Asian cultures. In our survey, some three quarters of the respondents expected to move out when they got married and 40 per cent when they had enough money to live independently. What happens if for some people that does not happen? Given the rising cost of home ownership and the rather gloomy prospects of ever being able to afford to buy among our young group, we would expect a continuing decline in the marriage rate and thus fertility rates-a matter of some concern given the low birth rates in Hong Kong (Hong Kong Census and Statistics Department, 2015). It is precisely this kind of association between housing costs, insecure employment and a shrinking population which has been the focus of some debate in Japan (Hirayama, 2014; Ronald and Druta, 2016). So there are wider economic and strategic issues involved.

Moreover, it is also important to balance the message of apparent domestic contentment among adult children living with parents and acknowledge some of the less positive messages from the data. Among those currently living at home, almost two thirds say they would expect to be living in private home ownership when they do move out. Despite, these expectations, however, a significant percentage of those questioned did not think that they would ever be able to afford to buy a flat. So there are clearly possibilities for considerable frustration building up in the not too distant future. At the same time there is a population ageing in the public rental sector and a sizeable waiting list. There is a revived but limited policy of subsidized home ownership.

The survey data also show that there is already a not insignificant minority of younger people in Hong Kong who are not comfortable with their housing situation. They may be happy living in the parental home ‘at the moment’, but a fifth agreed that ‘it was not convenient to live with parents’ and almost 30 per cent believed that in Hong Kong young people should be able to leave home at an earlier age. Young people may be happy living with their parents but the survey data indicate they are far from contented with their own housing prospects, government policies or the widening social divisions in society. Unless, there are significant changes in patterns of housing access and opportunity for young people in Hong Kong these frustrations can only increase. Moreover, space standards (Yip.et.al.,2009) in Hong Kong are hardly conducive to long term intergenerational sharing, especially when it comes to marriage and children. Even if parents and children appear happy with the current arrangements, the use of the parental home as a means of addressing the housing needs of the younger generation is hardly a long term sustainable housing policy. It does, however, fit into a broader pattern of societal change across a variety of cultures in which the family is being asked to play a growing role in housing provision in the face of affordability problems and austerity cutbacks (Forrest and Hirayama, 2015).

So what is to be done? As we saw earlier, housing policy intervention are seen by some as a way of defusing the simmering political discontent among some factions of the young. Of course, property prices may fall and speculative pressure may diminish. If this happens, however, it is likely to be part of a wider economic recession which will impact disproportionately on the salaries and employment of young people. Moreover, lessons from other contexts show that falling house prices do not necessarily ease housing access for young groups because of the tighter mortgage and deposit restrictions which follow in the wake of economic instability (Forrest and Yip, 2013).

As was noted earlier, one response to the home ownership challenge in Hong Kong has been to suggest selling public rental housing at discounted prices (Wong, 2015). This would certainly boost home ownership levels but it is not clear how such a policy would help younger groups other than indirectly through inheritance or shared purchase, or in the longer term, as cheaper flats filter down to the open market. Leaving aside other concerns about such a policy, it is more likely to benefit the existing generation of public tenants and offer fewer housing options for the next-unless there is substantial new building for public renting. Another strategy to ease access is to reduce home ownership costs by further reducing space standards. This has been part of the market response with so-called ‘mosquito homes’ attracting considerable controversy (Dodwell, 2016; Li, 2016). The production of flats as small as 5.7 square metres may reduce overall prices and deposit requirements (although still expensive by local and international standards) but they hardly offer a good prospect for a couple, let alone a family and convey a dismal view of future living conditions in the city-regression rather than progression in liveability. Also, these are the kinds of property which fall furthest in value if market conditions go negative.

Other ways of enabling younger owners to achieve independent housing would therefore seem more viable and more attractive. Boosting public rental housing is one option but this would not achieve the aim of enabling more younger people to buy-unless it was some kind of build for sale or shared ownership scheme. This is where we confront Hong Kong's distinct political economy in which public rental housing finds much wider and sustained support from the developer-government nexus than subsidised home ownership (Forrest and Yip, 2014). Intervening in the home ownership sector is seen as unacceptable market interference. Of relevance here is a rather old, if longstanding, debate in the sociological and political science literature concerning the 'stake in the system' conferred by home ownership and the extent to which housing tenure may affect political behaviour (See Saunders, 2006, for a general discussion of these and related issues). Stated simply, there is an argument that home owners with mortgages to pay are less likely to take to the barricades other than to perhaps protect their property values. They are likely to be more concerned about maintaining an income stream to pay the mortgage and perhaps less inclined to more radical politics. Now this view has been shown to be simplistic or at least contingent on a range of factors (Winter, 1994). However, if we consider for the moment that there is a limited degree of substance to this view, then a higher level of home ownership among young people in Hong Kong might diffuse their political energies, or at least burden them with more immediately pressing debts to service. Some of the utterances of local commentators, referred to earlier, would certainly suggest that some of them believe this to be the case. The freedom of the parental home for the young would have been replaced by the responsibility of maintaining their own apartment. Marriage would have replaced singleton status. However, here there is a fundamental structural problem. How can a substantially higher level of home ownership for younger people be achieved in Hong Kong when the maintenance of high land values and supply side scarcity are essential elements in the accumulation regime for the economic elite and the government?

Conclusion

This paper has situated the housing circumstances of young people in Hong Kong in the wider context of rising political discontent with introverted and interconnected economic elites and with growing inequalities. Quite evidently, given recent political events in the USA and the UK, this is not a frustration peculiar to Hong Kong. However, Hong Kong occupies a very unique geo-political position combined with extreme inequalities, very low residential space standards and some of the highest real estate prices in the world. It represents a very distinct constellation of contradictory political and economic interests. In relation to housing, there is an evident tension between the political priority to address the housing needs of a new generation and the economic interests of the powerful real estate developers. Here, the social and political arguments for making home ownership more affordable, and thus the need for more interventionist measures in the housing market, confront the financial imperatives of the government-developer nexus. These seemingly irresolvable tensions have produced the policy stalemate which underlies the growing numbers of young people living at

home for longer without any obvious route to housing independence and the chronic housing affordability problem. 'Doing something about housing' is therefore it seems only marginally less politically challenging than responding to some of the more fundamental demands for political change being made by some of Hong Kong's youth. The paper has also raised the issue of whether the accommodation of Hong Kong's youth by their parents is a sustainable solution to their housing needs in the absence of any significant intervention to enable them to buy or rent their own properties. Whatever the cultural norms about intergenerational living and the apparently positive views of current housing arrangements by both parents and their children, there are likely to be growing negative impacts in relation to new household formation, overcrowding, family relations and increasing frustrations with a housing and economic system which more than adequately serves the luxury end but offers expensive, shrinking space to the middle masses.

Note

¹ It is possible that some of our young people were married but living separately from their partner. This is not a question we asked in the survey. We are confident that this would be a very unusual situation in Hong Kong.

Acknowledgements

The research was funded by a grant from the Hong Kong RGC (No.9041696). Thanks also to the anonymous reviewers for thoughtful and constructive comments on an earlier draft.

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